



## CITY OF DURHAM | NORTH CAROLINA

**Date:** November 20, 2012

**To:** Thomas J. Bonfield, City Manager

**Through:** Keith Chadwell, Deputy City Manager

**From:** Kevin Dick, Director – Director, Office of Economic and Workforce Development  
Grace Dzidzienyo, Senior Economic Development Manager  
Peter Coyle, Senior Economic Development Coordinator

**Subject:** Second Amendment to the Building Improvement Grant Contract with Reinvestment Partners

### Executive Summary

This item recommends the approval of a second amendment extending the completion date of the Building Improvement Grant agreement between Reinvestment Partners and the City of Durham dated April 18, 2011 as amended June 19, 2012.

### Recommendation

The Office of Economic and Workforce Development (OEWD) recommends that the City Council authorize the City Manager to:

1. Hold a public hearing on the proposed amendment to an economic development economic incentive agreement per G.S. 158-7.1; and
2. Execute a second amendment to the Building Improvement Grant agreement between Reinvestment Partners and the City of Durham dated April 18, 2011 as amended June 19, 2012, to extend the contract from an end date of December 31, 2012 to March 31, 2013.

### Background

On April 18, with The Community Reinvestment Association of North Carolina for economic incentive improvements to a building located at 1201 N. Roxboro Street, in Durham, with a contract completion date of April 18, 2012. On June 19, 2012, the City Council approved an extension of the contract to December 31, 2012 and amended the original contract to show a change in the business's corporate name to Reinvestment Partners.

**Issues and Analysis**

In a letter dated November 1, 2012, Reinvestment Partners informed OEWD that it would be unable to complete the building improvement project by December 31, 2012, the completion date provided in the amended Agreement.

During the demolition phase of the project, unanticipated problems were found with the foundation of the building, requiring a major foundation remediation project, which has raised the project cost from the original estimate of \$188,500 to \$475,000 and which has required additional design changes, permitting and time. Reinvestment Partners reported:

These have been resolved and all construction permits have been pulled. During demolition, our structural engineer required a phased demo, new piers and structural supports in preservation of the existing structure. The result is that we have added two months to the construction process.... We will fulfill and exceed our commitment to this project, but again need more time to complete it.

The improvement of the building at 1201 N. Roxboro Street would contribute to economic development in the N. Roxboro/Geer Street area and would complement other Reinvestment Partners projects in that area. Although one of the objectives of the Building Improvement Grant Program is to fund projects that are to be completed within twelve months, staff recommends approval of the extension because such an approval would be consistent with the broader goal of upgrading the aesthetics of street level spaces and creating more viable spaces for retail activity. The project is consistent with the Citywide Strategic Plan goal for a strong and diverse economy.

**Alternatives**

The City Council may choose to reject the recommendation extend the agreement or approve a different length of time for the extension. Such decisions may impact the abilities of this project to meet the broader visions of the aforementioned plans.

**Financial Impact**

Extending the contract by an additional three months would have no financial impact, as the amount of the grant will not change.

**SDBE**

An SDBE summary is inapplicable because no project-specific goals have been set and no SDBEs are involved in this item.

**Attachments:**

Second Amendment to Agreement between Reinvestment Partners and the City of Durham for Building Improvement Incentives for Economic Development.